Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

# Message Text

LIMITED OFFICIAL USE

PAGE 01 THE HA 04196 031653Z

43
ACTION TRSE-00

INFO OCT-01 EUR-12 EA-07 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07

NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-02 PA-01

PRS-01 IO-13 NEA-10 /111 W
---------- 117812
O 031611Z AUG 76
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC IMMEDIATE 8678
AMEMBASSY MANILA IMMEDIATE

LIMITED OFFICIAL USE THE HAGUE 4196

E.O. 11652: N/A
TAGS: EAID, EFIN, NL
SUBJECT: INCREASE IN ADB LENDING RATE

REF: STATE 188415

1. SUMMARY: US WILL GET LITTLE SUPPORT FROM NL FOR PROPOSALS BEFORE ADB BOARD OF DIRECTORS AUGUST 5. END SUMMARY.

2. EMBASSY DISCUSSED PROPOSALS IN REFTEL WITH LOOIJEN OF FINANCE MINISTRY. LOOIJEN LISTENED POLITELY TO ARGUMENTS, THEN REPLIED THAT THE NETHERLANDS IS OPPOSED NOT ONLY TO THE PROPOSALS RELATING TO THE LENDING RATE, BUT ALSO TO THE ARGUMENTS BEHIND THEM. HE STRESSED FOLLOWING POINTS IN OPPOSING US POSITION.

A. ADB IS A DEVELOPMENT INSTITUTION AND SHOULD BE TRYING TO MINIMIZE INTEREST RATE.

B. ADB IS AN INDEPENDENT BANK AND MUST TAKE RESPONSIBILITY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 THE HA 04196 031653Z

OF SETTING ITS OWN LENDING RATE. US FORMULA WOULD IN EFFECT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

HAVE IBRD SET ADB LENDING RATE, WHICH PROBABLY CONTRADICTS
ADB REGULATIONS.

C. IT IS ABSURD FOR USG TO ARGUE ABOUT FIVE BASIS POINTS
WHEN FEW BANKS ADJUST RATE BY LESS THAN ONE-EIGHTH PERCENT.

D. NETHERLANDS WOULD LIKE TO SEE INCREASE REPEAT INCREASE
IN PAID-IN CAPITAL OF ADB.

(LOOIJEN DID CONCEDE THAT GON HAS NO OBJECTION TO INCREASE
IN COMMITMENT FEE AND SUPPORTS PREMIUM CHARGES FOR HONG KONG
AND SINGAPORE.)

3. EMBASSY ALSO RAISED MATTER WITH DEVELOPMENT COOPERATION
MINISTRY. RESPONSE THERE WAS THE SAME.
BROWN

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** POLICIES, DIPLOMATIC DISCUSSIONS, DEVELOPMENT PROGRAMS, DEVELOPMENT LOANS, INTEREST RATES, DEVELOPMENT BANKS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 03 AUG 1976
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** CunninFX
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 28 MAY 2004
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1976THEHA04196
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Film Number:** D760298-1282
**From:** THE HAGUE
**Handling Restrictions:** n/a
**Image Path:**
**ISecure:** 1
**Legacy Key:** link1976/newtext/t19760890/aaaadbfo.tel
**Line Count:** 77
**Locator:** TEXT ON-LINE, ON MICROFILM
**Office:** ACTION TRSE
**Original Classification:** LIMITED OFFICIAL USE
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 2
**Previous Channel Indicators:** n/a
**Previous Classification:** LIMITED OFFICIAL USE
**Previous Handling Restrictions:** n/a
**Reference:** 76 STATE 188415
**Review Action:** RELEASED, APPROVED
**Review Authority:** CunninFX
**Review Comment:** n/a
**Review Content Flags:**
**Review Date:** 03 MAY 2004
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <03 MAY 2004 by buchant0>; APPROVED <27 AUG 2004 by CunninFX>
**Review Markings:**

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

**Review Media Identifier:**
**Review Referrals:** n/a
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** INCREASE IN ADB LENDING RATE
**TAGS:** EAID, EFIN, NL, US, ADB
**To:** STATE MANILA
**Type:** TE
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006